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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WR 43-82

WASHINGTON, Oct. 27--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

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In CANADA, West Coast (Vancouver and Prince Rupert) longshoremen walked off the job October 20 in response to the British Columbia Employers Association's closing of non-grain facilities October 19. The association said that keeping non-grain facilities operating at the ports was uneconomical, given the work slowdown by non-grain handling longshoremen, which had been in process since mid-September. The West Coast longshoremen have been working without a contract since December 1981. The work stoppage has occurred at a particularly bad time for Canada, which is preparing to ship record levels of grain following a recent 7.6 million-ton grain sale to the Soviet Union. About 20-25 ships were expected to arrive for loading by October 22. Weekly shipments in September off the West Coast generally average about 220,000 tons per day; monthly movement last October reached about 1 million tons. A work stoppage lasting any appreciable length of time is likely to reduce Canadian prospects for record wheat exports (currently forecast at 19.5 million tons) this season. The last such labor action occurred in September 1981 and lasted about 12 days.

The EUROPEAN COMMUNITY is expected to harvest a record grain crop in 1982 of roughly 122.5 million tons, excluding about 4.5 million tons of durum wheat. This would be 3 million tons above the "guaranteed threshold" of 119.5 million tons fixed for the 1982/83 marketing year, and could possibly trigger a 3 percent drop in EC support prices for grains in 1983/84.

According to reforms adopted in May 1982, grain support prices will be reduced the following year (in this case, 1983/84,) by 1 percent for each million tons over the 119.5 million-ton threshold established for the 1982 crop. That reduction only applies to intervention prices for domestically produced grains and would not affect target or threshold prices, which determine the price the EC pays for imported grains. However, the final grain production "guaranteed threshold" could still differ from the 119.5 million-ton level if non-grain feed ingredient (NGFI) imports for 1982 were to exceed a target of 15 million tons. Each million tons of NGFI imports above the target increases the grain production threshold by a corresponding amount.

-more-

The actual impact on 1983/84 support prices is uncertain, as the final level of NGFI imports for 1982 is still unknown and the EC does not establish its support prices until just before the beginning of the new marketing year. In 1981 and 1982, the EC raised its support prices by 6 and 8.5 percent, respectively. Without specifying 1983 support prices in advance, the Community can continue to raise support levels while appearing to take positive action to discourage excess production.

Reflecting favorable weather that prevailed throughout southern Eastern Europe, YUGOSLAVIA is expected to harvest a record corn crop this year, according to current Yugoslav official estimates. This year's crop may reach 10.5 million tons, or roughly 700,000 greater than in 1981. Consumption of corn is also likely to rise, but will not absorb the record crop. As a result, Yugoslavia will have a surplus of roughly 600,000 tons of corn for export, about 400,000 tons more than exported in 1981/82. Regardless of whether Yugoslavia can export its high-priced corn at today's market prices, this year's surplus will certainly cut into the country's corn imports—possibly eliminating imports entirely in 1982/83. During 1981/82, Yugoslavia imported 327,000 tons of U.S. corn.

OILSEEDS AND PRODUCTS

SPAIN's 1982 sunflowerseed crop will be larger than earlier expected, possibly a record 750,000 tons, compared with the drought-reduced 1981 level of 298,000 tons, according to the U.S. agricultural counselor in Madrid. The larger output is attributed to improved growing conditions and an increase in area from 708,000 hectares last year to a record 815,000 this season.

DAIRY, LIVESTOCK AND POULTRY

In HONG KONG, consumption of fresh milk is expanding rapidly and domestic supplies are being supplemented by China. Hong Kong's domestic milk production, which grew from 4,100 to 4,500 tons between 1978 and 1981, faces limited expansion due to land availability. During the same period, fresh milk imports, which now account for 75 percent of Hong Kong's milk supply, doubled. Currently, more than 90 percent of these imports are delivered to Hong Kong in consumer-ready packages. However, a recently signed multi-year contract between a Hong Kong dairy and China's Guangdong Province calls for bulk delivery of non-pasteurized milk.



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EXPORT PERIOD EXTENDED FOR GUARANTEED U.S. AGRICULTURAL SALES TO PORTUGAL

WASHINGTON, Sept. 3—The Commodity Credit Corporation (CCC) under its Export Credit Guarantee Program (GSM-102) today extended the export period under the \$425 million guarantee line authorized for sales of U.S. agricultural commodities to Portugal, according to Glenn D. Whiteman, acting general sales manager for the U.S. Department of Agriculture's Foreign Agricultural Service.

The export period has been extended from Sept. 30, 1982 through Dec. 31, 1982.

The following balances are currently available to U.S. exporters under this line: approximately \$26.2 million for oilseed sales (cotton, soybean, or sunflower); approximately \$96.6 million for feed grain sales (barley, corn, sorghum, and oats); and approximately \$5 million for wheat sales.

In order to be eligible for up to three-year coverage, all sales must be registered with CCC by Sept. 30, 1982.

U.S. experters must submit an application along with a guarantee fee to CCC before export is completed.

The guarantee rates include a charge to provide for a per annum interest rate coverage of up to 8 percent on the guaranteed value. Exporters may apply for a guaranteed value up to a maximum of 98 percent of the port value.

Based on semiannual repayments of principal, plus accrued interest, the fee rate is 15.6 cents per \$100 for six months; 23.4 cents per \$100 for one year; 39.3 cents per \$100 for two years; and 56.5 cents per \$100 for three

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CCC AUTHORIZES GUARANTEES FOR U.S. AGRICULTURAL SALES TO PORTUGAL

WASHINGTON, Oct. 8--Commodity Credit Corporation (CCC) today authorized up to \$360 million worth of guarantees to U.S. exporters for sales of U.S. agricultural commodities to Portugal, according to Melvin E. Sims, general sales manager for the U.S. Department of Agriculture's Foreign Agricultural Service. CCC vill provide up to three-year coverage under the Export Credit Guarantee Program (GSM-102).

These guarantees will be earmarked as follows: \$150 million for oilseeds (cottonseed, soybeans, peanuts, and sunflowerseed); \$140 million for feed grains (barley, corn, sorghum, and oats); \$60 million for wheat; and \$10 million for rice.

To be eligible for guarantees, U.S. exporters must submit an application along with a guarantee fee to CCC before export is completed. All shipments must be completed by Sept. 30, 1983. The guarantor is Banco Portugues do Atlantico and/or other eligible banks.

The guarantee rates include a charge to provide for a per annum interest rate coverage of up to 8 percent on the guaranteed value. Exporters may apply for a guaranteed value up to a maximum of 98 percent of the port value.

Based on semiannual repayments of principal, plus accrued interest, the fee rate is 15.6 cents per \$100 for six months; 23.4 cents per \$100 for one year; 39.3 cents per \$100 for two years; and 56.5 cents per \$100 for three years.

Based on equal annual repayments of principal, plus accrued interest, the fee rate is 32.9 cents per \$100 for one year; 50.1 cents per \$100 for two years; and 69.2 cents per \$100 for three years.

For further information, call Lorraine Potts (202) 447-3224.

PR-165-82 Turrett (202) 447-7937 In the SOVIET UNION, September data for state and collective farms indicate some further improvements in the livestock sector. Total meat production during September surpassed the September 1981 level and brought cumulative meat production for January-September to only 0.5 percent below the 1981 level. Milk production and per cow milk yields on a cumulative basis are also running above last year.

Cumulative beef production is reported to be 1 percent below 1981, while pork production is off 3 percent. Poultry meat production is 8 percent above the 1981 level. Cumulative egg production is reported to be 3 percent above 1981. Total production of milk and per cow production are also reported to be above 1981. State procurements of all these products have increased as fast, or faster, than production.

Slaughter weights for both cattle and hogs continued to average below normal during September, while numbers for both cattle and hogs continued to increase. October 1 cattle numbers were reported at 91.9 million head, up 0.8 million head from 1981. The number of hogs was reported at 59.1 million head, 0.7 million above 1981. Sheep and goat numbers—at 122.6 million head—were down 2.3 million from 1981.

TOBACCO

CHINA's 1982 tobacco crop will total a record 2 million tons, or 60 percent greater than last year's record crop, according to the U.S. agricultural counselor in Beijing. Tobacco area increased in 1982 by 37 percent over 1981 to 930,000 hectares. China's rapidly expanding tobacco area (1982 flue-cured area was up 42 percent) has resulted in the increased production level. Tobacco growers were encouraged to expand acreage during the 1982 crop year by the 20 percent increase in average prices offered for the 1981 crop. With two consecutive record tobacco crops, stock levels are anticipated to exceed export and domestic needs significantly. Thus, China's storage and processing capacity is expected to be seriously strained.

SOUTH AFRICA's 1982 tobacco crop of 35,597 tons was nearly 25 percent above the revised 1981 crop. During 1981, voluntary production cutbacks and dry conditions resulted in greater area and production declines than earlier believed. Tobacco area in 1982 was 30,100 hectares, representing a decline of nearly 2 percent from the previous year. Grower prices in 1982 for all tobacco types were up from last year.

SUGAR

Sugar production in the PHILIPPINES in 1982/83 will total 2.65 million tons (raw value), nearly 6 percent above 1981/82, according to the U.S. agricultural counselor in Manila. Excellent weather since planting is expected to result in higher cane and sugar yields. Increased use of higher yielding cane varieties has also been reported. Harvested area is expected to be up only slightly. Long-term contracts have tended to shield the industry from current low world market prices. In addition, the Philippines has a 378,000 short ton, raw value, quota under the U.S. import quota program for 1982/83.

A dry summer in CANADA's main honey producing areas has offset the expected effects of a good overwintering of hives and a promising spring. The preliminary forecast released by Statistics Canada indicates that despite 4 percent more colonies, production will decrease nearly 8 percent to 31,885 tons. Yields decreased significantly in both Quebec and Alberta Provinces.

FRUITS AND NUTS

In SPAIN, heavy rains October 19-20 caused substantial losses of fruit and vegetables in the Levant region. Infrastructure and irrigation systems also sustained heavy damage. It is too early to quantify losses.

The WORLD's major commercial producers of pecans are expected to harvest 115,870 tons in 1982, 37 percent below the bumper output of 1981. A significantly smaller crop in the United States accounts for most of the decline, reflecting drought conditions in Oklahoma and Texas and extreme fluctuations in the alternate year bearing characteristic of pecans. Poor kernel maturation is expected to lower Mexico's pecan output for the third consecutive year. Production for 1982 is currently forecast at 18,000 tons, one-third smaller than the 1981 crop. Because of Mexico's strained financial situation, Rural Development Project (PIDER) funds formerly allocated for the nut industry are now being utilized to promote cultivation of basic foods under the Mexican Food System (SAM). Since PIDER funds are no longer available, it is unlikely that Mexico's pecan output will expand significantly in the near future.

In contrast, Australia's small pecan industry continues to expand, with output estimated at a record 1,930 tons. As with many other commodities produced in Australia, pecan production is primarily geared to domestic market requirements. South Africa's pecan industry also shows strong growth potential, with production in 1982 forecast at 410 tons, up nearly one-fourth from the 1981 harvest of 330 tons. Commercial pecan production data are as follows in tons:

	1980	1981	1982 1/
Australia	1,814	1,820	1,930
Mexico	29,268	27,000	18,000
South Africa	320	330	410
United States	83,235	153,810	95,530
Total	114,637	182,960	115,870

1/ Preliminary.

Despite record crops in the United States and Syria, pistachio production in SELECTED COUNTRIES is forecast to drop to 37,400 tons in 1982. Turkey's output is expected to be only half the record 1981 volume of 20,000 tons. The Greek crop will be down approximately 4 percent due to heavy rains and excessive humidity. Italian production will be negligible because in off-years, growers heavily prune trees during the spring in order to obtain a high-quality, high-yielding crop the following season. Commercial pistachio production (in-shell) data are as follows in 1,000 tons:

	1980	1981	1982 <u>1</u> /
Greece	2.5	2.3	2.2
Italy	0.4	4.5	0.2
Syria	8.0	9.2	10.0
Turkey	7.0	20.0	10.0
United States	12.2	6.6	15.0
Total	30.1	42.6	37.4

1/ Preliminary.

Major WORLD producers of macadamia nuts are expected to harvest a combined volume of 17,950 tons during the 1982 season, 7 percent greater than the 1981 level. Larger 1982 crops in Australia, Costa Rica and Guatemala are a direct result of favorable growing conditions, new plantings coming into production and higher yields from mature orchards. The U.S. harvest—estimated at a record 15,800 tons—recommences the upward trend of the past several years, which was broken by last season's weather—damaged crop. Commercial production of macadamia nuts (in—shell) are as follows in tons:

	1980	1981	1982 1/
Australia	1,161	1,409	1,700
Costa Rica	68	181	363
Guatemala	54	61	87
United States	15,145	15,132	15,800
Total	16,428	16,783	17,950

1/ Preliminary.

Commercial production of walnuts by major WORLD producers is expected to increase for the third consecutive year. In India, growing conditions in Jammu and Kashmir were ideal for the 1982 crop, currently estimated at a record 20,000 tons. France's 1982 harvest is forecast at 30,000 tons—three times the volume of the weather—damaged 1981 crop. Although kernel quality is above average, growers harvested a sizeable percentage of small—sized nuts, particularly in the Bordeaux area, which annually accounts for about 40 percent of France's total output. Production in Turkey is beginning to trend upward again after two successive short crops.

Small 1982 crops are forecast for both the United States and Italy. The modest drop in U.S. production can be attributed to heavy rains during harvesting and a 2 percent decline in bearing area. More significant, however, is the continuing decline in Italian output. Although a severe summer drought caused a significant reduction in yields, the long-term trend points to further cutbacks in area. Uprootings of old trees are expected to accelerate as more growers opt for the immediate return on the lumber value of their trees, which often exceeds the crop value. Commercial production of walnuts (in-shell) are as follows in tons:

	1979	1980	1981	1982 1/
France	20.3	21.0	10.0	30.0
India	17.0	18.0	18.0	20.0
Italy	16.0	14.0	13.0	11.0
Turkey	9.5	7.0	8.0	9.0
United States	188.7	178.7	204.1	199.6
Total	251.5	238.7	253.1	269.6

1/ Preliminary.

VEGETABLES

ITALY's 1982 crop of tomatoes for processing will total 2.8 million tons, 9 percent below last year's crop, according to the U.S. agricultural counselor in Rome. Planted tomato area for 1982 was nearly 3 percent below last year. Lower yields in the two main producing regions of Campania and Emilia Romagna resulted from a prolonged drought, followed by frequent rain and hail. During the planting period, plant losses occurred from the unfavorable weather. The total 1982 tomato crop for Italy is now estimated at 4 million tons, representing a decline of nearly 12 percent from last year.

JAPAN's 1982 potato and onion crops—at 3.65 million and 1.23 million tons, respectively—are 17 percent and 18 percent above 1981's weather—reduced output. Harvested potato area in 1982—at 127,300 hectares—was 1 percent above 1981. Harvested onion area—at 29,000 hectares—was 3 percent above 1981. Increases in area resulted from higher market prices in 1981, while larger yields are attributed to favorable weather conditions.

RECENT FOREIGN AGRICULTURE CIRCULARS

USSR Grain Situation and Outlook, FG 31-82
World Grain Situation and Outlook, FG 32-82
Second Quarter Statistics for U.S. Exports and Imports of
Livestock, Poultry and Dairy Products, FDLP 5-82
World Oilseed Situation and U.S. Export Opportunities, FOP 12-82
World Cotton Situation, FC 11-82
U.S. Seed Exports for the Marketing Year Through August and
Comparisons with Previous Year, FFVS 8-82

TO ORDER, CONTACT: U.S. Department of Agriculture, FAS Information Services Staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.

Selected International Prices

Item :	October	26, 1982 :	Change from	: A year
		:	previous week	: ago
DOTTEDDAM DDIOCO 1/	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
ROTTERDAM PRICES 1/				
Wheat	N O	N. O		N 0
Canadian No. 1 CWRS-13.5%.	N.Q.	N.Q.		N.Q.
U.S. No. 2 DNS/NS: 14% U.S. No. 2 DHW/HW: 13.5%	171.00	4.65	0	195.50
U.S. No. 2 S.R.W	N.Q.	N.Q.	+6.00	205.00
U.S. No. 3 H.A.D	136.00 171.50	3.70 4.67	-1.00	196.00
Canadian No. 1 A: Durum	191.00	5.20	-1.00	N.Q.
Feed grains:	191.00	7.20	-1.00	14
U.S. No. 3 Yellow Corn	100.50	2.55	+.50	124.25
U.S. No. 2 Sorghum 2/	N.Q.			138.00
Feed Barley 3/	N.Q.			141.50
Soybeans:	, , ,			141.00
U.S. No. 2 Yellow	209.00	5.69	-1.00	254.50
Brazil 47/48% SoyaPellets 4/			+7.00	N.Q.
U.S. 44% Soybean Meal	191.00		+2.00	224.50
U.S. FARM PRICES 5/				
Wheat	121.25	3.30	37	138.16
Barley	57.47	1.25	0	91.86
Corn	78.74	2.00	0	93.70
Sorghum	78.26	3.55 6/	-1.98	89.07
Broilers 7/	959.88		+5.73	968.92
EC IMPORT LEVIES	104.70	0.00	0.50	10.05
Wheat 8/	106.38	2.90	-9.52	69.05
Barley	102.48	2.23	+2.25	75.65
CornSorghum	108.30	2.75 2.56	-2.86 -2.09	96.40 79.80
Broilers 9/	281.00	2.50	-4.00	252.00
EC INTERVENTION PRICES 10/	201.00		-4.00	272.00
Common wheat(feed quality)	172.13	4.68	-2.58	189.95
Bread wheat	190.09	5.17	-2.84	220.35
Barley and all				
other feed grains	172.13		-2.58	189.95
	1125.00		N.Q.	N.Q.
EC EXPORT RESTITUTIONS (subsidi	es)			
Wheat	76.70	2.09	0	59.65
Wheat flour	93.76		0	71.82
Barley	68.36	1.49	+1.01	44.15
Broilers 9/	189.00		-3.00	147.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70% whole chicken. 10/ Basically the intervention price is the EC farm price support, determined annually. 11/ F.o.b. price for whole broilers at West German border. N.Q.=Not quoted.

Note: Basis November delivery.

UNITED STATES DEPARTMENT OF AGRICULTURE WASHINGTON, D.C. 20250

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